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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/570,055

**Applicant(s)**

UMAPATHY, PRAKASHAM

**Examiner**

CARRIE A. STRODER

**Art Unit**

3689

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 28 February 2006.  
2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.  
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-21 is/are pending in the application.  
4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.  
5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.  
6) ☒ Claim(s) 1-21 is/are rejected.  
7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.  
8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.  
10) ☒ The drawing(s) filed on 28 February 2006 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some \* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)  
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)  
3) ☒ Information Disclosure Statement(s) (PTO/GS-06)  
Paper No(s)/Mail Date 21 Apr 2006; 17 Nov 2009

- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date: \_\_\_\_\_  
5) ☐ Notice of Informal Patent Application  
6) ☐ Other: \_\_\_\_\_

**DETAILED ACTION**

1. This is in response to the applicant's communication filed on 28 February 2006, wherein:

Claims 1-21 are currently pending.

***Claim Objections***

1. **Claims 6-21 are objected to under 37 CFR 1.75(c)**, as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form. The system does not limit further the steps of the method of claim 1.

2. Claim 7 is objected to because of the following informalities: "...wherein in business transactions..." should read "...wherein business transactions..." Appropriate correction is required.

***Claim Rejections - 35 USC § 112***

3. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

4. **Claim 20 is rejected under 35 U.S.C. 112, first paragraph,** as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

Claim 20 states that "transaction reports...can be dropped in an electronic drop box in the form of transaction handles..."; however, this is not described in the specification and examiner is unsure of the definition of an electronic drop box. Examiner is interpreting this to mean that transaction requests are submitted to the system, which subsequently completes the request.

1. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

1. **Claims 6-21 are rejected under 35 U.S.C. 112, second paragraph,** as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

It is not clear whether claims 6-21 as written are method claims or system claims, nor whether claims 6-21 are intended to

be dependent claims. Examiner believes that applicant intended the claims to be dependent on claim 1. Therefore, Examiner will attempt to interpret the claims as method claims, particularly since most of claims 6-21 do not recite any structure. Examiner notes that in order to be a proper system claim, the claim must recite structure.

5. **Claim 10** recites the limitation "the responding enterprise". There is insufficient antecedent basis for this limitation in the claim.

6. **Claim 14 is rejected under 35 U.S.C. 112, second paragraph**, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 14 states, "...records at one of the entities modified before an originating entry is passed at another entity in the conventional accounting process are accounted simultaneously at both ends," which is vague and indefinite. It is not clear precisely what is being claimed. Applicant seems to be comparing to a "conventional accounting process" which is undefined and further, lacks antecedent basis. Further, what is meant by "at both ends" is unclear. Examiner can, at most, interpret this recitation as positively claiming that records are accounted simultaneously for involved entities.

***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. **Claims 1-21 are rejected under 35 U.S.C. § 101** because the claimed invention is directed to non-statutory subject matter.

In order for a method to be considered a "process" under §101, a claimed process must either: (1) tied to a particular machine or apparatus, or (2) transforms a particular article to a different state or thing. This is called the "machine or-transformation test". In re Bilski, 545 F.3d 943, 88 USPQ2d 1385 (Fed. Cir. 2008). If neither of these requirements is met by the claim, the method is not a patent eligible process under §101 and is non-statutory subject matter.

There are two corollaries to the machine-or-transformation test. First, a mere field-of-use limitation is generally insufficient to render an otherwise ineligible method claim patent-eligible. This means the machine or transformation must impose meaningful limits on the method claim's scope to pass the test. Second, insignificant extra-solution activity will not transform an unpatentable principle into a patentable process. This means reciting a specific machine or a particular transformation of a specific article in an insignificant step,

such a data gathering or outputting, is not sufficient to pass the test.

With respect to claims 1-21, the claim language does not include the required tie to a particular machine or apparatus or transformation and thus is directed to nonstatutory subject matter. Although claims 6-21 state they are related to a system to implement the method of claim 1, Examiner may also interpret claims 6-21 as method claims which are dependent on claim 1.

4. **Claims 6-21 are rejected under 35 U.S.C. § 101** because the claimed invention is directed to non-statutory subject matter.

35 USC 101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" (emphasis added). Applicant's claims mentioned above are intended to embrace or overlap two different statutory classes of invention as set forth in 35 USC 101. The claims state that they are a system to implement the method of claim 1 and appear to be intended to be dependent on claim 1. A dependent claim may only be of the same statutory class as the independent claim on which it depends; therefore, it may be understood that the applicant is attempting to claim two statutory classes. "A claim of this type is precluded by the express language of 35 USC 101 which is drafted so as to set

forth the statutory classes of invention in the alternative only", Ex parte Lyell (17 USPQ2d 1548).

***Claim Rejections - 35 USC § 102***

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless -

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

6. **Claims 1-4, 6-10, 13-16, and 20-21 are rejected under 35 U.S.C. 102(b) as being anticipated by Harif (US 20020087881).**

**Referring to claim 1:**

Harif teaches

A. Capturing the business event details with a predefined set of handles (paragraphs 32 and 55; "Included with this definition is the concept of wrapping data packets with addressing information, executable instructions, routing instructions, security information, arbitration information, authentication information, packet size, etc.");

B. Monitoring the Event continuously as a floating event and updating the status of the handles until the predefined life cycle of the event is completed (paragraph 38; "The set of programming instructions 302 may also include a description of



the limits of propagation for the requested processing.

Propagation may be considered as the dispersal of specific information to a finite number of recipients. For example, the propagation of agents 20 which will be instantiated by the network server 14, as described in detail below, may be defined by programming instructions 302. The propagational limits may incorporate criteria supplied by the network client 12. The scope of the propagation may be time limited.”);

C. Holding the Completed event details in the archived event data base (paragraph 52; “If awarded, the FRC records an entry in the task ID database”);

D. Making the data available on a shared basis for generating accounting records by members (paragraph 45; “The Financial Resolution Center, or FRC, is a central processing location providing all users of the heterogeneous network (clients, servers, hosts, agents, etc.) with a centralized accounting and billing resolution system.”).

**Referring to claim 2:**

Harif teaches wherein an entity administering the system registers multiple users who can concurrently operate on an event that affects any one or more of them (paragraph 45; “This high-volume, transaction-based system may handle billions of micro-transactions as well as high-value, negotiated fund

transfers. The main functions of this center may include: Posting and tracking current "market" rates for basic and packed special services; managing a bidding process between network clients and network servers, and between network servers and network hosts; account billing and resolution, solving for minimum number of transactions among participating partners; and managing credit accounting and floating institutions credit in advance of payments or resolution.").

**Referring to claim 3:**

Harif teaches wherein an event is designated with a pre-configured set of associated handles (paragraphs 32 and 55; "Agents may perform standard, frequently requested processes...").

**Referring to claim 4:**

Harif teaches wherein the handles of an event originated by one of the members are filled up by subsequent actions of the other members associated with the transaction (paragraphs 32 and 55; "Another type of standard agent may perform funding authorization, providing additional funding to agents performing activities for pre-approved clients and within pre-approved hosts. An agent may request additional funding from such a funding agent running on the same host. Another type of standard agent may perform access authorization, providing rule-based response to information from authorized agents on the host, in

conjunction with the accesses allowed it by the server. Also, there may be standard agents to perform process control, monitoring all affiliated agents running the same process set on the host, responding to events through rules, bounded by their access and control authorizations.").

**Referring to claim 6:**

Harif teaches wherein a primary system working on a server interacts with a plurality of secondary systems working on client computers for the recording and processing of business events (paragraph 45; "The Financial Resolution Center, or FRC, is a central processing location providing all users of the heterogeneous network (clients, servers, hosts, agents, etc.) with a centralized accounting and billing resolution system.").

**Referring to claim 7:**

Harif teaches wherein in business transactions are recorded as "Events" and the defined transaction flow is recorded as different "Event Handles" (paragraphs 32 and 55; "Another type of standard agent may perform funding authorization, providing additional funding to agents performing activities for pre-approved clients and within pre-approved hosts. An agent may request additional funding from such a funding agent running on the same host. Another type of standard agent may perform access authorization, providing rule-based response to information from

authorized agents on the host, in conjunction with the accesses allowed it by the server. Also, there may be standard agents to perform process control, monitoring all affiliated agents running the same process set on the host, responding to events through rules, bounded by their access and control authorizations.").

Furthermore, the names "Events" and "Event Handles" are non-functional descriptive data.

When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed nonfunctional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401,404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; *see also Diamond v. Diehr*, 450 U.S. 175, 191, 209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus,

when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is nonfunctional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts that the name under which the information is recorded can add little, if anything, to the claimed acts or steps and thus does not serve as limitations on the claims to distinguish over the prior art. MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material "that cannot exhibit any functional interrelationship with the way the steps are performed". Any differences related merely to the meaning and information conveyed through data, which does not explicitly alter or impact the steps is non-functional descriptive data. The subjective interpretation of the data does not patentably distinguish the claimed invention.

**Referring to claim 8:**

Harif teaches wherein in the reconciliation statement of business transactions with different entities is embedded in the

system of recording of the business transaction itself so as to enable the reconciliation statement to be generated on the fly as a type of status of the event object (paragraph 49; "Program instructions 72 may include various program instructions used to implement functions of the FRC 22, such as program instructions used to implement the methods described herein. For example, program instructions 72 may include instructions regarding the reconciliation of user accounts." and where "so as to enable the reconciliation statement to be generated on the fly as a type of status of the event object" is not a positive claim limitation, and as such, receives little patentable weight).

**Referring to claim 9:**

Harif teaches wherein multi party transactions are accounted concurrently in Cyber Space (paragraph 45; "The Financial Resolution Center, or FRC, is a central processing location providing all users of the heterogeneous network (clients, servers, hosts, agents, etc.) with a centralized accounting and billing resolution system. This high-volume, transaction-based system may handle billions of micro-transactions as well as high-value, negotiated fund transfers.").

**Referring to claim 10:**

Harif teaches wherein accounting records at the responding enterprise get automatically updated partially from the sharable data from the originating entry so that complimentary data entry requirement is eliminated (paragraph 47; "For example, each time an accredited member posts a charge to the FRC, it may list its own identification, the task ID, and the amount of the charge. These records are kept for billing to the charged entity, (e.g., the owner of a network client such as client 12) and aggregated into the ledger of accounts for each entity." and where "so that complimentary data entry requirement is eliminated" is not a positive claim limitation and therefore, receives little patentable weight).

**Referring to claim 13:**

Harif teaches wherein the reconciliation of a multi party transaction is captured as a multi dimensional reconciliation statement reflecting both the financial and non financial parameters of the transaction (paragraphs 45-47; "...solving for minimum number of transactions among participating partners..." and "...providing financial information and reconciling accounts" and where "multi dimensional reconciliation statement" is interpreted in light of the specification, page 17, which states "CAS provides a new dimension to the reconciliation statement in respect of multi party transactions. Unlike the traditional

reconciliation system which is tracking the records between two parties from the known value to an unknown value through a recording of a series of transactions not accounted in the books, the reconciliation statement prepared by CAS provides an absolute value of pending transactions for all combinations of transaction parties.").

**Referring to claim 14:**

Harif teaches wherein records at one of the entities modified before an originating entry is passed at another entity in the conventional accounting process are accounted simultaneously at both ends (paragraph 47; "At the end of each billing period, the accumulated debits and credits posted for each accredited institution are resolved, and transaction summaries are sent to each entity...").

**Referring to claim 15:**

Harif teaches wherein a secured common database of transactions serves the accounting requirements of multiple members (paragraphs 6 & 45; "...centralized accounting and billing system...").

**Referring to claim 16:**

Harif teaches wherein the data base can be distributed and partly held as a common sharable database and partly as a member controlled database to which pointers can be provided in the



shared database along with secured access control (paragraphs 31 & 35; "...include access information..." and "For example, the data to be processed may reside on the client, and the payload 30 may contain only a pointer to the data..." and further, "can be..." is not a positive claim limitation and therefore, receives little patentable weight)

**Referring to claim 20:**

Harif teaches wherein transaction reports from one member of the system can be dropped in an electronic drop box in the form of transaction handles which can be picked up by another designated member of the system (paragraph 32; "A payload is a specialized set of programming instructions that the network client 12 provides to the network server 14 to request processing. Included with this definition is the concept of wrapping data packets with addressing information, executable instructions, routing instructions, security information, arbitration information, authentication information, packet size, etc." and further, "...can be dropped in an electronic drop box in the form of transaction handles which can be picked up by another designated member of the system" is not a positive claim limitation and therefore, receives little patentable weight).

**Referring to claim 21:**

Harif teaches wherein a primary system working on a server interacts with a plurality of secondary systems working on client computers for the recording and processing of business events, and wherein data is collaboratively built by multiple parties to a transaction by adding inputs to different handles associated with the transaction (paragraphs 45 & 55; "The Financial Resolution Center, or FRC, is a central processing location providing all users of the heterogeneous network (clients, servers, hosts, agents, etc.) with a centralized accounting and billing resolution system." and "...agents may provide special user defined processes.").

***Claim Rejections - 35 USC § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

8. **Claims 5 and 11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Harif (US 20020087881).**

**Referring to claim 5:**

Harif teaches wherein the accounting records of each of the members is generated as per pre-configured reports (paragraph 45; "...with a centralized accounting and billing resolution system" and where it is implied that the reports are pre-configured).

**Referring to claim 11:**

Harif teaches wherein the transactions are held in a "Floating Container" whose "Full" or "Empty" status indicates the status of reconciliation of the transaction (paragraph 47; "...providing financial information and reconciling accounts" and "At the end of each billing period, the accumulated debits and credits posted for each accredited institution are resolved" implies that the status of each transaction, as either yet to be reconciled, or reconciled, is tracked and where Examiner gives little patentable weight to the names "floating container" and "full" and "empty").

**9. Claim 12 is rejected under 35 U.S.C. 103(a) as being unpatentable over Harif (US 20020087881), in view of Official Notice.**

**Referring to claim 12:**

Examiner takes Official Notice that using color to track the status of a transaction would have been obvious to a person having ordinary skill in the art at the time of the invention.

Color has long been used to draw the user's attention to a particular item, or to differentiate between two items. For example, in the art of accounting, red is frequently used to indicate a debit, or money spent, while black is used to indicate a credit, or money earned. This is exemplified by the expressions "in the red" used to indicate someone that is losing money and "in the black" used to indicate someone that is earning money.

Harif does not teach; however, Official Notice teaches wherein the users can visually track the status of a transaction with an appropriate color code.

It would have been obvious for a person of ordinary skill in the art (PHOSITA) at the time of invention to modify the teachings of Harif by using color as taught by Official Notice because this would make it easier for users to quickly identify the status of transactions, thereby improving user satisfaction.

**10. Claims 17-19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Harif (US 20020087881), in view of Smith et al. (US 20020147668).**

**Referring to claim 17:**

Harif does not teach; however, Smith teaches wherein the members can use both real time as well as non real-time data synchronization for creation of accounting records (paragraph

13; "The preferred embodiments of the present invention allow the user to retrieve real-time financial transaction information from a financial institution" and where it is implied that non real-time is an alternative).

It would have been obvious for a person of ordinary skill in the art (PHOSITA) at the time of invention to modify the teachings of Harif by using real-time synchronization as taught by Smith because this allows the business owner to make informed financial decisions based on accurate and current information.

**Referring to claim 18:**

Harif does not teach; however, Smith teaches wherein in the input templates can be integrated with legacy accounting systems for automatic migration from existing systems (paragraph 42; "Application program 42 can integrally incorporate a database module or simply provide the interface that operates upon information held in an external database." and further, "for automatic migration from existing systems" is a statement of intended use and therefore, receives little patentable weight).

**Referring to claim 19:**

Harif does not teach; however, Smith teaches wherein an inherent risk management system tracks the transactions and develops alerts (paragraph 45; "Among the various types of possible reports 44e, application 42 preferably can generate

various accounting and budget status reports-whether upon request by the user 10 or customized to do so automatically at regular intervals or upon the happening of some specified event.").

***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to CARRIE A. STRODER whose telephone number is (571)270-7119. The examiner can normally be reached on Monday - Thursday 8:00 a.m. - 5:00 p.m. ET.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jan Mooneyham can be reached on (571)272-6805. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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